Personal notes for Point Foundation
6 September 1994

1. Short term income sources

A. WER subscriptions

The renewal envelopes were printed with the wrong post office bar code and are arriving at Sausalito rather than New Jersey. These must be opened, checks and charges recorded, subscriptions forwarded to Fulco and bank deposits prepared. The front office is also answering customer service calls personally rather than forwarding them to Fulco. This activity is currently taking 1/2 person day each day. Reed has proposed converting our subscribers to members which would facilitate fund raising appeals. Could this be done quickly, by whom and at what cost?

B. Past due distributor accounts

Before Eastern News became WER's exclusive newsstand distributor, the magazine was distributed by thirty-six different companies which reached "alternate" markets. Sloppy bookkeeping and procedures on our part led to an unreliable receivables in excess of $150,000. Reed has contacted the largest of these accounts, revised the records to reflect copies returned for credit, and gotten commitment to pay the balance. The other remaining smaller accounts should also be brought current and the balances collected. This should take one person week. If the accounts are not brought current after a reasonable time following this effort, they should be sent to collections or written off.

C. MWEC pre-sales

Orders are being taken over the phone and by mail. Credit card charges are prepared, checks recorded, and names are added to the growing list that will be shipable when Point has catalogs. We are well into this and the recording process seems adequate. We should look for any other ways in which we can increase these advance sales. These sales average one person hour each day.

(Mike Stone is chasing 175 authors to secure rights to their contributions, see them paid, encourage them as promoters of MWEC in their parts of the country, setting up procedures to get promised Catalogs to Catalysts and fielding promotional phone inquiries. MWEC promotion is being handled by volunteers as time allows. Mike stone should be tasked with coordinating promotion as part of his continuing managing editor's responsibilities.

D. Sales of WER #83 overrun

Reed has suggested that we characterize the remaining 10,000 copies of WER #83 as "overrun" and sell it to the secondary distributors at $1.00/copy no return. With shipping costs of $3,000, Point could net $7,000 on magazines now being stored by Byrd and A&A at cost to Point.

E. Fund raising

F. Book proposals

A ten book series of **Whole Earth Guides** can be sold as a package. The books would be produced over four years and the advance package would combine production costs and royalties. The series will be offered at auction and therefore could be under contract fairly quickly. (We should, of course, offer the package to HarperSanFrancisco.) While advances are slow to be paid, they are bankable because Point has not defaulted on a publishing contract. We could borrow money against the advance to restore operations. The editorial/production costs of the series should be determined by the advances and any additional income from royalties should be considered a windfall. By using this approach, Point's operating budget would be assured funding for four years.

We must put numbers to each of these sources and budget accordingly.

2. Point structure

I propose that Point be broken into two discrete operating divisions each using shared business and production services.

Whole Earth Review

All activity directly related to WER (circulation, printing, promotion, editorial) should operate under a single banner with a magazine budget that includes allocated production and overhead (rent, accounting, phones, etc.) costs. The magazine should be directed to cover its costs within the next two years. Whole Earth Review should remain a content driven magazine with its editorial voice focused on sharing the passion of pioneers on the frontiers of human experience rather than sales. (Understand, however, that the need to cover costs forces the editors to shape that content to engage and sustain the reader's interest in a way that causes readers to share and/or subscribe to WER.)

September, in addition to getting out WER #84, should be spent determining the real costs of WER (editorial, production, printing, mailing, circulation maintenance, promotion, and subscriber hand-holding), designing a circulation package that will meet these costs, and structuring a plan to get there in two years.

Whole Earth Books

Books have always been the Point Foundation's source of capital infusion. The idea of a Whole Earth series has been around for some time. I believe John Sumser talked with our agent, John Brockman, about auctioning a series earlier this summer. To my knowledge, nothing further has been done. An outline for a ten book series with the first book outlined in detail is in progress. This package could be ready in two weeks . With the experience of MWEC (the advance not covering the costs) fresh in mind, it is imperative that any series or individual book proposal be structured and budgeted to more than cover its costs and thereby carry some of WER's costs until WER can be self-supporting. We cannot know whether that is possible without putting a proposal in John Brockman's hands.

Business Services and Production Services

The business activities of Point Foundation can be operated on a service/client basis billing (allocating costs) each client (WER, WEBooks, Point Foundation) for the services rendered. Services would include: office management, supplies, accounting services, rent, utilities, postage, shipping, reception, etc.. Similarly, production could bill out its services on a time, materials and maintenance basis to each of its clients.

3. Electronic and other non-print outlets

Tano is correct in saying there is not much short-term potential in electronic release of MWEC or Whole Earth. A CD-ROM version of the catalog is the most likely "product" and its potential advance could not be large. CD-ROMs are not yet selling in big numbers and publishers, even the new players in this field, are reluctant to spend big speculative dollars. Home shopping and other potential outlets seem just that, potential. All of this may prove very exciting and remunerative eventually, but not, I think, within a time frame we can realistically plan for.

I have mentioned Whole Earth Radio elsewhere. My recollection is that Point is under contractual obligation to fund the development of three more shows. I do not recall how much money is involved. I have not heard the first show tape, but secondhand reports are not encouraging. This is such a wonderful idea, I would love to see it succeed — not, however, at additional cost to Point.

There may be other opportunities. T-shirts have been mentioned. None are known to be real at this point.